
EXECUTIVE SUMMARY

As government finance professionals and elected officials responsible for managing government funds, the Florida Government Finance Officers Association (FGFOA) believes transparency and accountability of the use of public funds to citizens and other stakeholders is paramount to good government.

In 2011, legislation was passed requiring the chief financial officer to develop a uniform chart of accounts to be used by all governmental entities for the purpose of reporting assets, liabilities, equities, revenues and expenditures.

The FGFOA has several serious concerns regarding the proposed Uniform Charts of Accounts (UCOA) and reporting requirements. This white paper delineates FGFOA concerns in an effort to assist Florida Chief Financial Officer Jeff Atwater and the members of the Florida Legislature as they move forward with their continued work on providing accountability and transparency of public funds.

In summary, the proposed UCOA and reporting requirements is problematic, as follows:

- **Clarification of reporting responsibility** – it is unclear whether the county constitutional officers or the chief financial officer of the county should report financial information to the State of Florida. In addition to the extra “layer” in the reporting hierarchy at the county, the proposed UCOA monthly reporting requirement will also place an undue burden on chief financial officers.
- **Double reporting of expenditures for counties** – if constitutional officers report and the county reports, the expenditures would be reported twice. These reports will not be reconciled on a monthly basis due to cost and time constraints.
- **Conflicts with current required monthly reporting requirements** – schools districts, county clerks, and other local governments may prepare monthly reports. For such entities, the proposed UCOA monthly reporting will result in duplicate reporting and additional costs.
- **Quality of data provided to the public will be jeopardized without time for verification** – the basis of accounting used to prepare monthly ad-hoc reporting may differ from the year end audited financial statements. The information may not be validated, resulting in compromised data that does not provide meaningful comparisons between organizations.
- **High costs of implementation** – the level of detail required to comply with the proposed UCOA is far greater than that required in the current financial reports. Significant resources will be necessary to comply with modifying the current accounting systems, creating a crosswalk from the current systems to the proposed UCOA, and ongoing reporting. This is an unfunded mandate on local governments.

Implementation of the proposed UCOA and reporting requirements would be costly to governments, and ultimately the taxpayers, and will result in the delivery of inaccurate and confusing information.

The FGFOA recommends an alternative strategy that could accomplish the Legislature’s goal to ensure transparency and accountability while limiting the burden to governmental entities and preserving the autonomy of those entities. Legislation should be enacted that prescribes minimum desired transparency reporting by local governments, leaves it to local governments to include such information on their websites, and does not impose significant financial burdens on local governments.